DEPARTMENT OF STATE [illegible]/MR
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DEPARTMENT OF STATE
FOR THE PRESS

APRIL 2, 1953 NO. 170

SIGNATURE OF TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION WITH JAPAN

A treaty of friendship, commerce and navigation between the United States and Japan was signed today in Tokyo. Ambassador Robert D. Murphy signed for the United States and Foreign Minister Katsuo Okazaki signed for Japan. The treaty must be ratified by both Governments before it will become effective. It is expected that the treaty will shortly be submitted to the United States Senate with a view to obtaining its advice and consent to ratification of the treaty by this Government.

In Article 12 of the Treaty of Peace with Japan, signed at San Francisco on September 8, 1951, Japan declared its readiness to enter into negotiations with each of the Allied Powers of treaties "to place their trading, maritime and other commercial relations on a stable and friendly basis". As Secretary Dulles observed in his statement at the opening of the San Francisco Conference, the Treaty of Peace by itself could do little more in the field of general economic relations than "point the way to a healthy trade relationship and create the opportunity to go in that way". The treaty signed today marks a significant advance in relations between the United States and Japan, for by this treaty the two Governments record their agreement, in completely mutual terms, upon advanced and enlightened principles to govern on an enduring basis the conduct of general economic relations between the two countries.

In common with other treaties of friendship, commerce and navigation entered into by the United States in recent years, the new treaty deals in considerable detail with a wide range of subject matter. In general, each of the two Governments: (1) agrees to accord, within its territories, to citizens and corporations of the other treatment no less favorable than it accords to its own citizens and corporations with respect to the normal run of commercial and industrial pursuits; (2) affirms its adherence to the principles of nondiscriminatory treatment of trade and shipping; (3) formally endorses standards regarding the protection of persons, their property and interests that reflect the most enlightened constitutional principles; and (4) recognizes the need for special attention to the problems of stimulating the flow of private capital investment.

Specifically, the provisions of the treaty fall into eight broad categories: (1) entry, travel and residence; (2) basic personal freedoms; (3) guarantees for property rights; (4) the conduct and control of business enterprises; (5) taxation; (6) exchange restrictions; (7) the exchange of goods; and (8) navigation. While the new treaty adheres closely to the substantive pattern of other recent treaties, it contains several provisions that are new to United States commercial treaties. Notable among these is the provision establishing, pursuant to authorization given in the new Immigration and Nationality Act, a special category of treaty aliens, who are permitted entry for the purpose of developing the operations of business enterprises in which they have a substantial investment. Another

Pending the entry into force of the new treaty, general economic relations between the United States and Japan will continue to be governed by Article 12 of the Treaty of Peace, which sets forth certain broad rules for the conduct of such relations between the Allied Powers and Japan during an interim period of four years. When the new treaty comes into effect, it will supersede these provisions of Article 12 as between the two countries.

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in Article 7 unnecessary and undesirable. Will appreciate Department comments relation these paras and acceptance or suggestions re Embassy wording above.

MURHPY

JAK:AW

Note: *As received. Verification has been requested.